

January 24, 2012

**VIA ELECTRONIC FILING**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: WC Docket No. 11-42 - Lifeline and Link Up Reform and Modernization  
**NOTICE OF EX PARTE PRESENTATION**

Dear Ms. Dortch:

On January 24, 2012, F. J. Pollak, President and Chief Executive Officer, TracFone Wireless, Inc. ("TracFone"), Javier Rosado, Senior Vice President - Lifeline Services, TracFone, Charles Shipp of SC Partners, and undersigned counsel met with Christine Kurth, Legal Advisor to Commissioner Robert M. McDowell.

During the meeting, we discussed issues before the Commission in the above-captioned Lifeline and Link Up Modernization proceeding. We stated that TracFone endorses reforms to the low-income program which reduce waste, fraud and abuse of Universal Service Fund resources but that the Commission should avoid reforms which impede the ability of qualified low-income consumers to complete the enrollment process and obtain Lifeline benefits to which they are entitled and which they need in order to have access to the nation's telecommunications network. Specifically, we discussed the Lifeline enrollment process and the importance of development of data bases to enable Eligible Telecommunications Carriers ("ETCs") to determine whether applicants for Lifeline benefits are enrolled in qualifying programs. Recognizing that such data bases may take up to several years to implement, we urged that the Commission not mandate a documentation of program-based eligibility requirement in a manner which would preclude qualified low-income consumers from enrolling and which would harm the program during the transition to data base access. We estimated that it would take one and one-half to two years for such state program data bases to become available in those states which do not have such data bases. Currently, TracFone has access to state-administered data bases in the following states: Florida, Maryland, Texas, Washington, and Wisconsin. A similar data base exists in New York. However, it is not available to TracFone; it is available only to those ETCs who are incumbent local exchange carriers.

We described the difficulties encountered by low income consumers in attempting to enroll in Lifeline programs in states which mandate documentation of program-based eligibility (sometimes referred to as "full certification" states). In this regard, we described how such mandatory full certification prevents many Lifeline-eligible low-income consumers from enrolling in the program. We referenced a previous letter submitted in this proceeding which quantified the impact of mandatory documentation of program-based eligibility on Lifeline enrollment. On August 3, 2011, TracFone submitted a letter which compared the enrollment levels in two states -- Missouri -- a full certification state, and Louisiana -- a self-certification

state. In Louisiana, 71 percent of consumers who contact TracFone about its Lifeline program complete the enrollment process. In Missouri, only 32 percent of such consumers complete the enrollment process. Moreover, we explained that the available data indicates that the percentage of enrolled Lifeline consumers who remain Lifeline-eligible in the two states is about the same.

We then discussed which states subject TracFone to a full certification requirement. Of the more than 35 states where TracFone currently offers Lifeline service, only five states require such documentation. Those states are Kansas, Missouri, Rhode Island, South Carolina and Texas. The other states where TracFone provides Lifeline service as an ETC either allow for enrollment based on self-certification of program-based eligibility under penalty of perjury or provide access to data bases of enrollment eligibility information. We explained that many fewer applicants complete the Lifeline enrollment process in those "full certification" states because of the burdens on Lifeline applicants of having to produce such documentation. We also explained that it is far more costly to enroll qualified consumers in Lifeline programs and to operate an efficient Lifeline program in such "full certification" states.

With respect to data base access, we described how TracFone is working with the United States Department of Agriculture to arrange for access to Supplemental Nutrition Assistance Program (SNAP) data bases which are administered in many states by J.P. Morgan and Company. Access to such data bases would enable TracFone and other ETCs to confirm whether Lifeline applicants are enrolled in a major Lifeline qualifying program.

Finally, we described how significant amounts of waste, fraud and abuse of Universal Service Fund resources could be eliminated by requiring all ETCs to do what TracFone does and what TracFone has recommended previously be applicable to all ETCs. Those include:

1. Elimination of Link Up support to ETCs, especially ETCs which do not significant costs to connect Lifeline consumers to their networks at the consumers' principal places of residence;
2. Require all ETCs to collect Lifeline applicants' date of birth and Social Security Number (last 4 digits) information and to have that information used by reliable third party services to verify the accuracy of the customer-provided information;
3. Require all ETCs to de-enroll Lifeline customers and to cease receiving Lifeline support for such customers following 60 days of non-usage (in the cases of non-billed Lifeline services) or 60 days of non-payment (in the cases of billed services);
4. Require all ETCs to verify annually that each of their Lifeline customers remains Lifeline-eligible and to remove from the program those customers who either do not respond to verification requests or who indicate that they are no longer Lifeline-eligible.



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In response to a question about number 4, we indicated that it costs TracFone approximately \$4.60 per customer per year to conduct the continued eligibility verification.

Pursuant to Section 1.1206(b) of the Commission's rules, this letter is being filed electronically. If there are questions, please communicate directly with undersigned counsel for TracFone.

Sincerely,



Mitchell F. Brecher

cc: Ms. Christine Kurth